

Czechoslovakia

77. Memorandum From Helmut Sonnenfeldt of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, January 21, 1969.

SUBJECT

Czechoslovakia

1. The *situation* in the aftermath of Palach's self-immolation² is obviously *volatile*, made the more so now by a second burning, this time of a worker.³ The *student-worker alliance* in acts of protest and defiance is *potentially a most threatening* development for the Prague regime and the Soviets. If it gathers steam, the regime will be under *enormous pressure from the Soviets to crack down*.

2. At that point the regime will have to decide whether to attempt to master the situation by itself or to let the Soviets do it. It will probably prefer the former course to minimize brutality, even at the risk of thereby making itself a Soviet tool. In the end, there is, however, *a strong possibility that the Soviets will intervene* anyway, not only using their troops but establishing some form of military rule. An added factor militating for Soviet intervention—or at the very least heavy Soviet pressure on Prague to do so—is the *danger that acts of defiance will spread elsewhere in Eastern Europe*; witness the further burning in Budapest.⁴

3. I fear that *our own options* in this tragic situation are *extremely limited*. Almost anything we say as a government would be likely to encourage further acts of defiance or to stimulate a siege mentality in Moscow. I can think of nothing that we can say or do that could stay the Soviet hand if the Soviets see public order collapsing.

I nevertheless recommend the following:

1. That we privately, perhaps when Chip Bohlen sees the Soviet chargé at the latter's request today, indicate to the Soviets our deep

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. I Jan 69–31 Jan 70. Secret.

² On January 17 student Jan Palach set himself on fire in the center of Prague to protest the Soviet occupation of Czechoslovakia.

³ J. Hlvaty, a brewery worker, on January 20.

⁴ On January 20 another protester set fire to himself in the Hungarian capital.

concern and a sense that a heavy new burden would be added to our relations if overt acts of repression should occur;

2. That the State-chaired Czechoslovak Task Force be promptly *and quietly* re-assembled to, inter alia,

(a) review contingency planning for the event of any spillover of disorders into the CSSR–FRG border region and across it;

(b) maintain utmost control over any public or other statements we may wish to make on the situation, including contingency guidance for the State Department spokesman should he receive questions. (Subject to review in the light of developments I recommend for the next 48 hours: “No comment; we are obviously watching the situation.”)

(c) prepare contingency statements for various kinds of overt repressive action or disorders;

(d) send guidance to our Ambassador at NATO where the subject undoubtedly commands high-priority attention; and seek to coordinate our public and diplomatic posture with major NATO allies.

Query: Do you want NSC participation in Task Forces of this kind? It has the advantage of keeping you currently informed; the disadvantage is that they are time-consuming.

Helmut Sonnenfeldt⁵

⁵ Printed from a copy that bears this typed signature.

78. Telegram From the Embassy in Czechoslovakia to the Department of State¹

Prague, February 3, 1969, 1455Z.

245. Subj: Knowledgeable Czech Views Situation Darkly.

1. Longtime Embassy Czech source, self-styled progressive frequently well-informed about party affairs, made number of observations on current scene Feb. 1 which he characterized as adding up to “very bad” situation. His view reinforces other indications of declining elan and cohesion of progressives and growing assertiveness of

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. I 1 Jan 69–31 Jan 70. Confidential. Repeated to Moscow and Munich.

conservatives and "realists" in wake of emotional upsurge evoked by Palach suicide. Highlights follow.

2. Although public opinion overwhelmingly favors their views, progressives, while still overall majority in party, have lost cohesion and are baffled how to combat hardliners. Latter, boosted by Soviet support, increasingly confident events running in their favor and time on their side. Centrists share this appraisal and now tend at best to take noncommittal positions. Hardline comeback underway in some local party organizations, whose impending annual meetings will see attempt to change delegates to 14th Party Congress, elected before August and predominantly progressive. Extreme hardliners increasingly active; they held another meeting in Prague factory recently and, forming clique for Strougal,² backed recent People's Militia activity and influenced its results which very displeasing to many rank and file PM members.

3. In leadership, Dubcek's standing with public increasingly ambiguous: while he still highly regarded for integrity and object of widespread sympathy, doubts growing over his capacity to withstand heavy pressures or resume role as symbolic leader of reform. Smrkovsky³ very popular among workers but on shaky ground in party. (Recent anti-Smrkovsky pamphlet traced to extreme hardliner working through member of CC apparatus.) Husak and Strougal both thoroughgoing "careerists" who will use all means for personal advancement. Husak stronger and abler of two and, despite present bitter unpopularity in Czech lands, has better chance to reach top. Soviets working on leadership and party policies primarily through Strougal and Bilak.

4. Worsening development in security forces although progressive sympathizers still numerically stronger in both Defense and Interior Ministries. Situation especially confused and difficult in State Security where hardliners trying to push through repressive measures and progressives frequently "sabotaging" their efforts. Risks for latter growing, however, both because of party developments favoring conservatives and heightened direct Soviet influence on security forces. Soviets and Strougal want to restrict contacts between Czechs and Westerners; this one ground for recent expulsions of journalists which widely criticized in various party circles and generally assumed to have taken place at direct Soviet behest.

² Lubomir Strougal, Vice Prime Minister, a party official and defense expert.

³ Joseph Smrkovsky, President of the Czechoslovak Chamber of Deputies and a leading progressive.

5. Palach self-immolation was major setback for hardliners, arresting trend toward public apathy on which they count. Leadership's seemingly exaggerated apprehension in Palach aftermath reflected fear (with grounds) that hardliners planning "putsch" if disorders developed.

6. Moves have been initiated against media workers, but implementation temporarily stymied in Czechoslovak television because Party Committee refusing to carry out ordered moves and has sent letter to Presidium so stating. Buck thus passed back to highest party level. However, not much confidence that personalities affected can continue as before, and some assignments as correspondents abroad being quickly prepared for them.

7. Sik⁴ under heavy pressure from hardliners in party. At Jan. plenum he was saved from Jakes⁵-promoted inquest into his post-August activities by Piller's⁶ intervention. Some fear Sik may be target for direct Soviet action to remove him from public scene.

8. *Comment:* We have regarded source as controlled for long time and on occasion he obviously has relayed information and viewpoints intended to reach US officials. In Saturday conversation he spoke at least in part more "personally" than usual, and his overall pessimism may reflect his individual view as well as that of more-or-less progressive circles in party and government (including security services).

Baker

⁴ Ota Sik, former Deputy Prime Minister and reformist economic planner.

⁵ Milos Jakes of the CSSR Communist Party Central Committee.

⁶ Jan Piller of the CSSR Communist Party Central Committee.

79. Telegram From the Embassy in Czechoslovakia to the Department of State¹

Prague, February 14, 1969, 1655Z.

340. Ref: A. State 242273, Sept 20, 1968, B. State 23242, C. Prague 312, D. A-54.²

1. State 242273 (para 3) poses two conditions for further action on implementation of planned US export liberalization measures: (a) reasonable measure of Czech sovereignty and (b) convincing assurances on end use.

(A) We doubt that Czechs are less sovereign than for example Poland, which has Group W status. Vigorous domestic forces are actively struggling, with considerable courage, against Soviet influence. We believe proposed gesture of good will by US would be helpful to better side in this internal struggle.

(B) For reasons set out in references (C) and (D), Ministry of Foreign Trade is not itself prepared give assurances on end use and re-export requirements. It takes position that these assurances are up to end users themselves and not matter which MFT can decide. In their view, compliance with contractual obligations is up to importer and end-user, and they state there is no FAR to contracts calling for impartial arbitration.

2. Even though it is therefore not possible to give unqualified response to two conditions posed in ref (A), we believe case for proceeding as planned can be made of following points:

(A) Measure, which concedes Czechs only what Poles already enjoy, does not greatly loosen US export control program;

(B) Particularly since it was discussed prior to August 20, Czechs will regard liberalization in present circumstances as positive step—they have recently said as much, in contradistinction to Tabacek's³ belittling remarks of pre-August period—but would regard retreat as discouragement. We believe we should treat victims of aggression better than aggressors.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. I Jan 69–31 Jan 70. Confidential; Immediate.

² Telegram 242273 to Prague, September 20, 1968, outlined policy for licensing agreements with Czechoslovakia. (Ibid., RG 59, Central Files 1967–69, STR 7 CZECH) Telegram 23242 to Prague, February 13, requested information from the Embassy regarding changes in Czechoslovakia's licensing status. (Ibid.) Telegram 312 from Prague, February 7, reported that the Czechoslovaks had signaled their interest in resuming licensing discussions. (Ibid.) Airgram A-54 from Prague, February 7, reported on initial discussions. (Ibid.)

³ Jan Tabacek, Minister of Foreign Trade.

(C) Without wishing exaggerate, we believe that trade tends to encourage decentralization of Czech economy, with some positive political fallout, by bringing Czechs into more frequent and purposeful contact with US businessmen and high level of quality of US system. In long run, dynamic and expanding US economy represents positive factor which may offset to some extent current weight of Soviet military and political power.

(D) US exports are manifold boon to US economy, and it makes little sense to sacrifice sales to European competitors.

(E) US controls, including inspection of end-use of exports may be assumed to be effectively guaranteed by assurances of importers and end-users until we have proof that this is not case. In effect MFT guarantee is unlikely to be more assuring than that of an end-user which has reason to fear being deprived of future exports for failure to comply.

3. My call on Minister Tabacek is scheduled for 10:00 a.m. Tuesday, February 18 but can defer until later in the week. In view of our inability to proceed on larger economic questions we would like authority to act expeditiously and positively on above matter and would appreciate early reply.⁴

Beam

⁴ The meeting was postponed on instructions from the Department of State. (Telegram 407 from Prague, February 24; National Archives, RG 59, Central Files 1967–69, STR 7 CZECH) Instructions for negotiations with the Czechs together with authorization to initiate the talks were transmitted in telegram 30643 to Prague, February 27. (Ibid.) The talks resumed that day.

80. Memorandum for the Record¹

Washington, March 17, 1969.

SUBJECT

Conversation with Jaromir Pribyl, First Secretary at the Czechoslovakian Embassy

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. I Jan 69–31 Jan 70. Limited Official Use. Sent for information. A notation on the memorandum reads: “Mr Kissinger.” Copies were sent to Ash and Walsh.

Pribyl came in to see me today; I had talked with him from time to time in my previous position at the State Department and he said he wanted to renew the contact.

His main purpose was obviously to enlist White House help for favorable US policy decisions on matters pending with Czechoslovakia.

On the question of *monetary gold* and *claims*, he said that his government knew it was unrealistic to expect these two issues to be separated. His government is willing to renegotiate the agreement previously reached between the US and Czechoslovakia. They knew of course that some proposals had been ready last August and that "events"² at that time had delayed their submission to the Czechoslovaks. Thereafter the advent of the new Administration had further delayed matters. The Czechs would like to have new US proposals as soon as possible to see what they can do to solve this longstanding issue.

Turning to *trade*, Pribyl noted the importance to his country of having open and extensive relations with the US and other Western countries, especially in regard to trade. His Embassy had become aware of moves in the Congress for the granting of a partial form of MFN to Czechoslovakia. While this would not be fully satisfactory, the Czechs saw it as a move toward full MFN. They fear that the position of the State Department on this proposal is "ambiguous." The Czechoslovaks feel that the opportunity should be grasped lest the mood in Congress change or other events supervene.

I told Pribyl that I was of course familiar with his government's views on these matters. I pointed out that the new Administration had only been in office for two months and had not had an opportunity to examine these problems at a high level. He said he understood. I added that perhaps when a new American Ambassador is appointed to Prague³ there will be an opportunity to review the issues Pribyl had raised, although I could not of course give him any assurances that decisions fully satisfactory to him would be reached.

Helmut Sonnenfeldt⁴

² Reference is to the Warsaw Pact invasion of Czechoslovakia in 1968.

³ Beam departed his ambassadorial post on March 5. His successor, Malcolm Toon, was appointed May 13, and presented his credentials on July 31.

⁴ Printed from a copy that bears this typed signature.

81. Telegram From the Embassy in Czechoslovakia to the Department of State¹

Prague, April 18, 1969, 1215Z.

907. Subj: Husak and Bilateral Relations.

1. Assume Dept pondering US attitude toward Husak-for-Dubcek change,² particularly whether we should go forward with steps in bilateral relations (e.g. gold-claims proposal) which are now in the works.

2. Although it is obviously too early for meaningful assessment, particularly since as of now we do not even have official announcement about makeup of new party leadership and since other changes in personnel and policy will probably emerge gradually, preliminary contribution to Department's thinking may be in order.

3. Change is of course in party rather than government, but seems little doubt that Husak will attempt to call tune in all policy questions, including foreign relations, to greater extent than did Dubcek. Husak regime may be considerably more prickly for US to deal with; his public remarks frequently are larded with references to hostile Western forces. Demonstrative delay in going forward with steps which Czechs are expecting could get US off on wrong foot with new leader who we gather is emotional and has nationalistic inclinations and apparently is already equipped with somewhat jaundiced view of US. This would be undesirable if it turns out that country as whole goes along with Husak as best bet under circumstances.

4. On other hand, if country were to be swept by strikes or other forms of active or passive resistance to Husak's accession to power or to measures he may take (an eventuality which we think unlikely but not impossible), we presumably would not wish to appear to be underwriting him by going ahead with steps which we had refused to take throughout the Dubcek era.

5. Therefore if Department is preparing to present gold-claims proposal early next week we would suggest brief postponement (preferably attributed to problems on our side if explanation necessary) avoiding impression that any delay is related to political changes in CSSR.

¹ Source: National Archives, RG 59, Central Files 1967–69, POL 15 CZECH. Confidential; Immediate.

² On April 17 reform Communist leader Alexander Dubcek was ousted and replaced by the more conservative Gustav Husak.

6. Although relationship between Soviet pressure and yesterday's change is obvious and will undoubtedly be stressed in US press, believe any official comment on nature of Husak leadership should be avoided at least for time being.

Baker

82. Telegram From the Embassy in Czechoslovakia to the Department of State¹

Prague, April 24, 1969, 1600Z.

976. Pass White House. Subj: Démarche on Statement About Czechoslovakia.

1. Acting Chief of Western Hemisphere Dept of MFA, Ambassador Hokes, summoned me to MFA this morning and stated that he regretted our meeting took place in circumstances which he would outline but that he been instructed to convey to me following:

2. Czechoslovak Govt regretted statement on Czechoslovakia made by President Nixon at his April 18 press conference² and felt that it was not based on correct assessment of current situation in Czechoslovakia. Events were evolving in Czechoslovakia in direction desired by Czechoslovak Communist Party and statements which appeared to concern themselves with internal affairs of Czechoslovakia were not helpful to atmosphere necessary for good relations between USG and Govt of Czechoslovakia. Statements made by Secretary Rogers before Senate Foreign Relations Committee³ augured well for US-Czechoslovak relations. Therefore, was necessary express regret at President's statement.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. I Jan 69–31 Jan 70. Confidential; Priority. Received in the Department at 1754Z.

² In an April 18 press conference, President Nixon referred to Dubcek's replacement by Husak (see Document 81). The President stated: "The Soviet Union is aware of our disapproval of that action. All Americans, in fact all people of the free world, see this as perhaps the final chapter in the great tragedy of the Czechoslovak people under Communist rule. We hope it is not the final chapter. We hope that some vestiges of freedom will remain. Yet, the Soviet Union has acted there and acted quite decisively." (*Public Papers: Nixon, 1969*, p. 307)

³ Rogers's comments are in *Briefing by Secretary of State William P. Rogers. Hearings Before the Committee on Foreign Relations, United States Senate, 91st Congress, 1st session* (Washington, D.C.: Government Printing Office, 1969).

2. American Section Chief Novotny then added remark that his govt had to assume that President was basing his judgments of situation on reports supplied primarily by American Embassy although he was also naturally informed through press. Novotny noted that Embassy had included President's press conference in its "widely circulated" Daily News Bulletin and that therefore it had not been possible for Czechoslovak Govt to ignore statement.

3. I commented that I would convey foregoing views to my govt but that I personally believed that President's remarks were not motivated by any desire to interfere in internal Czechoslovak matters but on contrary to express concern at any development which would keep Government and people of Czechoslovakia from marking their own course.

4. *Comment:* Embassy did distribute full text of President's press conference in its April 21 Bulletin. Preceding full text was separate story on President's references to Czechoslovakia based on April 18 Wireless File Item No. EUF 128–SEF 82 but omitting any of interpolated references to Husak. Somewhat curious that oral presentation clearly indicated that matters going in direction desired by party with no reference to government. MFA officials' manner made clear they acting somewhat reluctantly under firm instructions.

Baker

83. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, June 20, 1969.

SUBJECT

Continuation of Negotiations on the US-Czechoslovak Gold/Claims Issue and Other Outstanding Financial Problems

Recommendation

That we take the next step in our negotiations with the Czechoslovak Government by presenting a new proposal for the settlement of the gold/claims issue and other outstanding financial problems.²

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. I Jan 69–31 Dec 70. Confidential.

² Nixon did not check either option. For the President's decision, see Document 85.

Discussion

Since 1952 there have been intermittent negotiations between the US and the Czechoslovak Government on two separate problems which have become linked in the course of negotiations. One is our consent to the return by the Tripartite Gold Commission (US, UK, and France) of about \$20 million of monetary gold looted from Czechoslovakia by the Nazis during World War II. The other is an equitable settlement by the Czechoslovak Government of claims arising from the nationalization of US private property valued at about \$72 million by the US Foreign Claims Settlement Commission.

The UK and France were unwilling to release the Nazi-looted gold until Czechoslovakia concluded claims settlements with them. The US continues to link its agreement to release of the gold to a satisfactory claims settlement. Retention of the gold provides a measure of security for the eventual settlement of the claims.

The US has distributed to the claimants \$9 million realized from the sale in 1954 of a steel mill purchased and paid for by the Czechoslovaks here, which we blocked and sold. In 1961, our Embassy at Prague, with the Department's approval, signed a Statement of Principles setting forth the basis of an agreement. Subsequently, the agreement was drafted, and in 1964, initialed ad referendum. This agreement, in addition to settling various other financial issues, provided for US consent to the release of the gold in return for a final payment on the claims of \$2 million. The total of \$11 million would have amounted to only about 15 percent of the value of the properties as valued by the Foreign Claims Settlement Commission. On review, the Department decided not to conclude the agreement.

In 1967 we offered to consent to release of the gold for a payment by the Czechoslovaks on the claims of \$2 million at time of settlement and an additional \$21 million over a period of seven years. Our proposal was rejected by the Czechoslovaks. They argued the gold was theirs and improperly withheld by us, that our claims were inflated and that the US was morally obligated to conclude an agreement comparable to the ad referendum settlement reached in Prague in 1964. They asserted that they would be able to pay more than the \$2 million contemplated in 1964 only if their trade with the US should substantially increase, and they believed that to be possible only if they were granted MFN. To meet this argument and to get the best possible settlement for the claimants we prepared a new proposal in the summer of 1968. Delivery was deferred as a result of the Soviet intervention of August 20, 1968. Soviet forces remain in occupation of Czechoslovakia. Nevertheless, I feel the US Government is morally obligated to take initiatives to reach a settlement so long as we retain the gold as security.

We now propose that the Czechoslovak Government pay us a total of \$44 million (negotiable down to not less than \$36.6 million) in full settlement of the nationalization claims. On this sum we would credit the full \$17 million they had paid for the steel mill, which we sold for \$9 million. Czechoslovakia would pay \$2 million at time of settlement and the remainder in seven annual payments to begin one year after the entry into force of a mutually beneficial commercial agreement providing, on our part, for extension of MFN to Czechoslovakia. Alternatively, annual payments would commence if for any reason Czechoslovak imports into the US, in any given year, exceed by 30 percent such imports in the year 1968 (\$23.8 million). The US would agree to the immediate release of the gold to Czechoslovakia by the Tripartite Gold Commission. Other lesser financial issues would also be settled, including undertakings to negotiate for the funding of US-held dollar bonds and to fund payments on their Surplus Property debt. The latter would provide a net gain to the US Treasury of some \$5 million.

If the Czechoslovaks should accept our proposal, they would be accepting an overall obligation on claims far beyond anything previously entertained by them. I feel that we cannot conceivably get any settlement going substantially beyond the \$2 million, the amount in the 1961 Statement of Principles, unless payments beyond that amount are deferred and conditioned upon either a substantial increase in Czechoslovak imports into the US, always an uncertain possibility, or on the granting of MFN. However, we would not be committed to grant them MFN at any time before we felt the general situation warranted. The gold issue evokes wartime emotions in Czechoslovakia and has seriously burdened our relations. It has been a lever of very limited effectiveness in dealing with Czechoslovakia. The gold, held in tripartite custody, does us no good, was looted by the Nazis and does belong to the Czechoslovaks. So long as we assert the right to hold the gold as security for a claims settlement, we have an obligation to negotiate to settle both issues. We undertook to make a new proposal to the Government of Czechoslovakia many months ago and failure to do so now would suggest we are unwilling to negotiate reasonably on an important issue.

Periodically we are pressed to reach settlement by a number of Congressmen and significant elements of the American press and interested public and even by representatives of the Czechoslovak-American communities. The situation has potential elements of difficulties with the UK which does not recover under its claims settlement until the gold is returned. The UK Embassy calls on us frequently for reports on the progress of our efforts to settle the claims.

Each year of delay erodes for many claimants the value of a settlement, through inflation, the discount that most people apply to fu-

ture as opposed to current income, and the aging and death of many private creditors.

We have discussed this proposal with representatives of the claimants. The large corporate claimants wish to delay in the hope of a higher settlement at some time in the future, largely because of the precedent involved. The representatives of the small claimants, who are the numerical majority, indicate they would welcome any reasonable settlement so they, rather than their heirs, can enjoy the benefits.

In our discussions on the Hill, we found that members of the Senate Foreign Relations Committee and the House Foreign Affairs Committee either indicated support or had no objections to our proposal. Some ranking members of the Senate Foreign Committee and the Ways and Means Committee reacted negatively (a detailed report of these consultations is enclosed).³ We have, at least in part, met Representative Mills' objection by revising our proposal to include payment on the claims should Czechoslovak imports into the US for any reason increase by 30 percent over 1968 in any given year after agreement is reached, even if MFN should not be granted.

I am convinced that our proposal offers the best solution for the small claimants and the US Government. Failure to move forward at this time would further complicate the problem of ever getting a reasonable settlement for the claimants or of other outstanding financial issues and would be a further irritant in our relations with Czechoslovakia.

WPR

³ Attached but not printed.

84. Editorial Note

On July 31, 1969, Czechoslovak President Ludvik Svoboda accepted the credentials of the new United States Ambassador to Czechoslovakia, Malcolm Toon, at the Hradcany Palace in Prague. Svoboda engaged Toon in conversation by recounting his visit to the United States as a young man and underlining his "fervent interest in maintaining the peace."

Svoboda then turned to the Czechoslovak gold claims issue (see Document 83). According to Toon's memorandum of conversation, "Svoboda wished me to inform President Nixon of his own deep concern that the gold problem had not been resolved. As I was aware the

gold which is now in the custody of the United States and other Western powers had been stolen from the Czechs by the Nazis during World War Two and was the rightful property of Czechoslovakia and should be returned. Svoboda knew of no single action that would do more to improve bilateral relations between Czechoslovakia and the United States and facilitate my own mission in Czechoslovakia than a decision to return the gold. As I was aware, next year would mark the 25th anniversary of the liberation of Czechoslovakia from the Nazi yoke, and the President felt it would be a very appropriate gesture indeed if my government would find it possible to return the gold before the anniversary."

Toon responded: "With regard to the President's [Svoboda's] remarks concerning the gold problem, I could assure Svoboda that President Nixon was aware of the importance the Czechoslovaks attach to the return of the gold. I was hopeful that this problem could be resolved within the fairly near future and the President could be certain that I would do everything in my power to bring this about, taking into account the legitimate concerns, aspirations and objectives of all parties concerned. As Svoboda was aware, we had been prepared last summer to present to the Czechoslovaks a proposal which we felt was a reasonable one and which offered in our view a real chance for resolving the gold as well as the claims problem. Unfortunately for all concerned, on the very eve of the day when we had planned to present this proposal to the Czechoslovak Ambassador in Washington, certain events took place in Central Europe which made the move inappropriate. We had recently revived consideration of our proposal, and we hoped soon to be able to move." (Memorandum of conversation, July 31; National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. I Jan 69–31 Jan 70)

85. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, August 7, 1969.

SUBJECT

Settlement of Czech Gold/Claims Issue

The Issue

The United States is still holding Czech gold looted by the Nazis pending settlement of U.S. claims. The gold is worth about \$24 million on the free market. Our remaining claims from property expropriation are estimated at about \$63 million, and we have some small miscellaneous claims in addition.

State argues that we have a moral obligation to negotiate on the issue, since the gold legally belongs to Czechoslovakia and we are ostensibly holding it as collateral against a claims settlement. They propose (at Tab B)² that we try to settle the matter by indicating our willingness to extend MFN treatment to Czechoslovakia, as well as give them the gold, if the Czechs agree to make payments of \$19.6–\$25 million in expropriation claims plus \$5 million in the miscellaneous additional claims.

Attached at Tab C is a detailed analysis of the history of this issue and the State proposal.³

Options

You have four basic options. Under each we would return the Czech gold.

1. Authorize negotiations involving claims payments by Czechoslovakia of \$24.6–\$30 million over seven years, starting when (a) we extend MFN treatment to Czechoslovakia or (b) Czech exports to the United States rise by 30%. This is the State proposal.

I see no logic in linking MFN treatment to the settlement. Czechoslovakia would already be getting about as much in financial terms—the gold, now worth about \$24 million and which they would get immediately—than they would give up even if they accepted the maximum proposed payments of \$30 million, over seven years, starting *after* we had extended MFN treatment or after Czech exports to the

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. I, Jan 69–31 Jan 70. Confidential. Sent for action. A notation on the memorandum indicates the President saw it.

² Printed as Document 83.

³ Attached but not printed.

U.S. had risen by 30%. It represents another effort by State to circumvent your decision not to seek MFN authority toward Eastern Europe at this time.

In addition, we made no improvement in our 1967 offer during the few months of the relatively liberal Dubcek government.⁴ A significantly better offer now, which this would be, might seem to reward a government which appears to be growing steadily more submissive to Moscow.

2. Authorize negotiations linking the Czech payments to an increase of Czech exports to us but dropping any link with MFN. This would be more accommodating than our 1967 offer from the Czech standpoint, because it accepts the principle that they can afford to pay us only with additional foreign exchange earnings. Conditioning the payments on export increases would make their timing very uncertain.

3. Authorize negotiations confined to gold and financial matters, excluding any reference to trade and thereby rejecting the Czech argument that they need increased exports to finance the claims payments.⁵ The deal would be about in balance, in financial terms, if you adopted the \$24.6–\$30 million claims settlement proposed by State.

4.⁶ Take no initiative and allow the irritant to stand. This issue is unlikely to be decisive in our relations with a country whose internal political system is regressing so rapidly. It would avoid the embarrassment of starting negotiations only to find that internal political changes had eliminated any rationale for them. We could, however, be subject to attack for holding the Czech gold without negotiating about it and reneging on an earlier “commitment” (by the Johnson Administration to the Dubcek regime) to make an offer.

Recommendation

That you authorize State to initiate negotiations with Czechoslovakia limited to gold and the financial claims. They should conduct the negotiations slowly and cautiously to see how the political situation develops before signing any agreement. We should (a) omit any link to MFN or other trade considerations and (b) refuse any settlement with

⁴ For documentation on these negotiations, see *Foreign Relations*, 1964–1968, volume XVII, Eastern Europe, Documents 47–52, 56, and 58–59.

⁵ The President underlined the portion of this sentence beginning with “excluding” and ending with “payments.”

⁶ The President circled the number 4 and annotated: “RN approves.”

payments smaller than we sought in 1967. (A suggested memo by which I could convey this decision to State is attached at Tab A.)⁷

⁷ The President wrote by hand beside the approval line: "Option 3 only (for consideration later)—but I actually believe option 4 is the best *at this time*." In a note to Bergsten, attached to the memorandum, Haig wrote: "Fred—4 for a while then 3 only. Al". The President's decision was transmitted to Rogers in an August 16 memorandum from Kissinger, a copy of which is Tab A to this memorandum. (National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. I Jan 69–31 Jan 70)

86. Memorandum of Conversation¹

SecDel/MC/18

New York, September 26, 1969, 5:30 p.m.

SECRETARY'S DELEGATION TO THE TWENTY-FOURTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY NEW YORK, SEPTEMBER, 1969

SUBJECT

Secretary's Bilateral Meeting with Foreign Minister Marko of Czechoslovakia

PARTICIPANTS

U.S.

The Secretary
Mr. Hillenbrand
Mr. Swank
Ivan V. Matusek

Foreign

Foreign Minister Marko
Jaroslav Zantovsky, Chargé d'Affaires, a.i., Washington
Dusan Spacil, Interpreter

After a short exchange of amenities Foreign Minister Marko stated he was very glad to have this opportunity to meet the Secretary. This was his first trip to the United States. He said that by now he had already confirmed how much truth there was to a Slovak saying that it

¹ Source: National Archives, RG 59, Conference Files, 1966–1969: Lot 70 D 387, CF 396. Secret. The discussion was held at the U.S. Mission to the United Nations. Drafted on September 27 by Ivan V. Matusek (INR/RSE/EE) and approved on September 29 by R.L. Brown, Deputy Executive Secretary (S/S).

is better to see for yourself than to listen. By now he had spent close to three weeks in New York. He did not think he would be going to Washington or tour the country—the time he had left was too short to allow for that. Mr. Marko stated he was glad to hear that the Secretary, like himself, had some background in financial affairs. This indicated to him that both of them were interested in concrete developments.

The Secretary responded that he was happy to welcome Mr. Marko to the United States. Both countries have a long history of friendly mutual relations. He commented that while in Mexico City during the Olympic Games he was impressed by the performance of the Czechoslovak team which was one of the most popular there. The Secretary stated we were interested in developing mutual commercial relations and cultural exchanges with Czechoslovakia. He inquired how things stood. Mr. Marko responded that he had just visited a Czechoslovak book exhibit at Columbia University which confirmed to him that there was good progress in the cultural field.

The Secretary inquired as to the purpose of the Czechoslovak party plenum, now underway. In his reply Mr. Marko followed the standard Czechoslovak line: the plenum is judging and analyzing Czechoslovak developments during 1968. This analysis, which will be very careful, will be presented to the Party Congress. He referred to the distorted reporting of Czechoslovak developments in the Western press and denied that there was any truth to stories that Czechoslovak developments were returning to the period of the 1950's (i.e. to Stalinism). The 1968 developments have been very complicated and one cannot make superficial judgments. In the field of foreign policy, it is necessary to address one-self to the question as to why Czechoslovakia did not attend the July 1968 talks in Warsaw (i.e. the meeting of the Warsaw Pact "five"). Mr. Marko stated "we believe that our nonattendance was a serious political error."

The Secretary inquired how long the Soviet troops were going to stay in Czechoslovakia. Mr. Marko answered that, as is known, the stay of Soviet troops is regulated by "our treaty." To the Secretary's query whether he was referring to the Warsaw Pact Treaty, Mr. Marko stated he was referring to the Soviet-Czechoslovak Treaty of October 1968.² He stressed that this treaty had the approval of the Czechoslovak National Assembly. He added that the Czechoslovak government has not raised the question of the Soviet troops' departure with the U.S.S.R. As a result, he cannot answer the Secretary's question.

² On October 16, 1968, the CSSR and the Soviet Union signed a treaty on the "temporary" stationing of Soviet troops in Czechoslovakia that permitted the Soviet forces that had taken part in the Warsaw Pact invasion in August to remain on Czechoslovak soil. The major provisions of the treaty are printed in *Keesing's Contemporary Archives*, 1967–1968, p. 23025A.

The Secretary responded that he understood the realities of the situation but noted that the presence of Soviet troops in Czechoslovakia—against the wishes of the population—makes it difficult for the US and the West to deal with Czechoslovakia. Mr. Marko, referring to the Secretary's earlier remarks, stated that he shares and reciprocates the Secretary's sentiments about the long history of friendship between the people of the two countries. The US has become a second fatherland for Czech and Slovak grandfathers. The two countries were allies during World War II. The Czechoslovak government considers the concept of peaceful coexistence to be one of absolute necessity. Stating that he has come here without any prejudices, he wondered whether one could settle some of the outstanding economic and financial problems. He wanted to make the same appeal as he did at the time of Ambassador Beam's departure from Prague.³ What he has in mind are questions, some of which have been pending for a quarter of a century. In a long, rambling exposé, Mr. Marko specifically mentioned: the MFN (which Poland, Yugoslavia and West Germany have); the Nazi-looted gold; the agreement on the compensation for nationalized property ("where we nearly had an agreement"); and the fact that rather than trading directly with the US, Czechoslovakia currently has to utilize third-country intermediaries in both her exports and imports from the US ("our profit margins accrue to somebody else").

Referring to his earlier comment about the detrimental effect of the presence of Soviet troops, the Secretary stated that under these circumstances it would be impossible to gain either popular backing, or Congressional support for any legislation in these areas. Mr. Marko responded by once again referring to distortions appearing about Czechoslovakia in the Western press. He added that once the discussion started to center on the presence of troops, he would rather terminate it since it was not in consonance with the spirit of discussing an improvement in relations. The Secretary stated that he did not comment in this vein in any contentious spirit, but simply wanted Mr. Marko to know why the US cannot at this time move in these areas. He suggested that cultural and educational exchanges meanwhile offer many opportunities. Mr. Marko replied that he appreciated the Secretary's explanation but added that he was afraid that the fact that the important economic questions remained unsettled will unfavorably affect Czechoslovak attitudes toward cultural/scientific exchanges. Mr.

³ An apparent reference to Beam's discussion with Marko, reported in telegram 373 from Prague, February 19. (National Archives, RG 59, Central Files 1967-69, PS 9 US-CZECH, JORDAN, CHARLES)

Marko said he hoped that eventually things would move in a more favorable direction.⁴

⁴ Telegram 3274 from USUN, September 27, reported the same conversation between Rogers and Marko. The telegram ended with the comment: "Despite sensitivity of several of these topics, atmosphere of mtg was not unfriendly. Marko was clearly interested in focusing conversation on Czechoslovak economic and financial priorities . . . ; Secretary was equally firm in underlining present political obstacles to any substantial movement forward." (Ibid., POL 7 CZECH)

87. Memorandum From Helmut Sonnenfeldt of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, May 20, 1971.

SUBJECT

Czechs Press for Return of Nazi-looted Gold

Czech President Svoboda, in a reply to the President's letter transmitting the Foreign Policy Report,² obliquely urged that we return the Czech gold taken by the Nazis and held by a tripartite commission since the end of the war. Ambassador Rohal told State³ he would be able to deliver any message about the gold when he returns on May 24 for the Czech Party Congress. State will advise Rohal that it is not an appropriate time to take up this issue.

The question of the return of the Czech gold has been a perennial. We have not disputed that the gold rightfully belongs to Czechoslovakia, but we have linked its return with Czech willingness to resolve the outstanding financial claims against the Czech Government arising from the nationalization actions in the 1948–49 period. These claims have been assessed by the US Claims Commission at about \$113 mil-

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. II 01 Feb 70—. Confidential. Sent for information. Kissinger initialed the memorandum to indicate he had seen it.

² Copies of the President's March 3 letter and Svoboda's May 6 reply are *ibid.* For the text of the "Second Annual Report to the Congress on United States Foreign Policy, February 25, 1971," see *Public Papers: Nixon, 1971*, pp. 219–345.

³ Reported in a May 13 letter from Eliot to Kissinger. (National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. II, 01 Feb 70—).

lion; the value of the gold is about \$20 million. In the mid-60's, there was some movement on the claims question (the Czechs offered some 16¢ per dollar claim), but the matter was never resolved.

The Czechs have never accepted our linkage of the claims and the gold, though they have suggested over the years that they might be more forthcoming on the claims question once we had granted them MFN and returned the gold. It is not clear why the Czechs have now raised the gold issue in this way. It may simply have been a pro forma exercise. Or, they may believe that recent Congressional actions on the Fino Amendment and on MFN for Romania may indicate that the day is coming closer when they will have MFN in hand. If this is so, they may be anticipating that the gold/claims problems may be closer to resolution.

The memorandum from State containing the correspondence with Svoboda is at Tab A.⁴ There is no action you have to take, unless you wish to see us take an initiative. I personally think it is premature. Maybe if, as I suspect, some Russian troops get pulled out of Czechoslovakia, it may be worth looking at this issue.

⁴ Attached but not printed.

88. Editorial Note

On October 19, 1971, the Czech Foreign Ministry informed the Embassy in Prague that it had decided to declare Samuel G. Wise, Chief of the Political-Economic Section of the Embassy, *persona non grata*. The Czech Government ordered Wise to leave Czechoslovakia within 48 hours. On October 20 the Department of State used its daily press briefing to deny Czech charges that Wise was engaged in espionage and protested his expulsion as "unwarranted." On October 27 the United States ordered the expulsion of the Second Secretary of the Czech Embassy. In telegram 1957 to Prague, November 3, the Department of State informed the Embassy that it intended to delay informing the Czech Government of approval of its ambassadorial nominee, Dusan Spacil, "in light of [the Wise] affair, treatment of American citizens (arrests and refusals of admissions to travelers with valid visas), and the Department estimate that no immediate U.S. objectives in Czechoslovakia will suffer." (National Archives, RG 59, Central Files 1970-73, POL CZECH-US) Documentation relating to the Wise case is *ibid.* and *ibid.*, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. II 01 Feb 70—.

89. Editorial Note

On May 24, 1972, after 3 months of negotiations, the United States and the Czechoslovak Socialist Republic signed an agreement to extend the existing bilateral Air Transport Agreement between the two countries until May 31, 1974. For the text of the treaty, see 23 UST 909.

The major point of contention in the negotiations had been U.S. efforts to improve the commercial conditions for the operations of Pan American Airlines in Czechoslovakia. On May 22 Robert Livingston and Robert Hormats of the National Security Council staff reported to President's Deputy Assistant for National Security Affairs Alexander Haig: "Since the Czechoslovaks were unable to improve conditions for PanAm in Prague, we insisted, as a condition for extending the Agreement, on subjecting the Czechoslovak airline to certain limitations in this country." (National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. II 01 Feb 70—)

90. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, October 6, 1972.

SUBJECT

Czechoslovak Foreign Minister Proposes Improvement in Relations

When I met October 5 with Czechoslovak Foreign Minister Bohuslav Chnoupek,² he proposed that we negotiate on the outstanding issues between us and on other problems, with the goal of achieving a substantial improvement in our bilateral relations. He said such an improvement would correspond to the spirit expressed in the U.S.-Soviet Statement of Principles, agreed upon during your May visit to Moscow. I welcomed the Foreign Minister's initiative and said that we

¹ Source: National Archives, RG 59, Central Files 1970–73, POL CZECH-US. Confidential.

² Chnoupek was in New York for the meeting of the UN General Assembly.

were prepared to undertake, through diplomatic channels, negotiations on the problems raised by him.

1. The Foreign Minister referred to our negotiations in 1964, and again in 1968, on Czechoslovak debts to the U.S., including U.S. claims for nationalized property, and on Czechoslovak claims, including the Czechoslovak monetary gold held in the West.³ His Government proposes that we move to solve this whole complex of problems.

2. He suggested that we negotiate a science and technology agreement, either on the governmental level or between the U.S. National Academy of Sciences and the Czechoslovak Academy of Sciences.

3. He proposed the negotiation of a consular convention, to be followed by a re-opening of the American Consulate at Bratislava and the Czechoslovak Consulate at Chicago.

4. The Foreign Minister referred to the Czechoslovak Chamber of Commerce delegation which has just completed an exploratory visit to the U.S. He hoped that trade between the two countries could be raised closer to the level at which it had been before World War II. Chnoupek said he did not connect the question of Most-Favored-Nation treatment with the proposed negotiations on our financial problems. However, he hoped that success in our negotiations might create a climate in which MFN treatment for Czechoslovakia would eventually be possible.

5. Finally, the Minister extended an invitation to me to visit Prague. If a consular convention and other agreements were then ready to be concluded, they could be signed at that time.

I replied that our interest in Czechoslovakia was not dependent on the state of our relations with other countries, but rested on our desire to respect the independence and sovereignty of Czechoslovakia. I cited the historic friendship between our two peoples, which is strengthened by the close ties between the many Americans of Czech and Slovak origin and their relatives in Czechoslovakia. In that spirit, we found the Minister's presentation agreeable and accepted his suggestion that we proceed to discuss the details through diplomatic channels. We were prepared to begin this process at any time and could settle the modalities in subsequent diplomatic exchanges. Having commented on some points of detail raised by the Minister, I thanked him for his invitation to visit Prague to sign the consular convention and any other agreements we might reach. I said I hoped our meeting of today might mark the beginning of a new stage in U.S.-Czechoslovak relations.

The Czechoslovaks are evidently concerned to move ahead now in an effort to avoid being left behind the trend of improvement in U.S.

³ See footnote 4, Document 85.

relations with the Soviet Union, Poland and Hungary. I believe their interest provides us with a good opportunity both to reach settlements advantageous to us of longstanding bilateral problems and to encourage the Czechoslovak Government to begin to emerge from its shell following the 1968 Warsaw Pact invasion. We intend to move vigorously to exploit this opening.

William P. Rogers

91. Memorandum of Conversation¹

Washington, October 13, 1972, 2:30–3:30 p.m.

SUBJECT

Exploratory Discussion of Secretary Rogers' Meeting with Czechoslovak Foreign Minister Chnoupek in New York on October 5, 1972

PARTICIPANTS

Czechoslovak Ambassador Dusan Spacil
 Czechoslovak Minister Counselor Jaroslav Zantovsky
 US Ambassador to Czechoslovakia Albert W. Sherer, Jr.
 Director, EUR/EE, John A. Baker, Jr.

The exploratory discussion followed an informal and cordial luncheon given by Ambassador and Mrs. Spacil. The three subjects explored were 1) a Consular Convention, 2) a Scientific, Technical and Cultural Agreement and 3) the negotiation of outstanding economic and financial problems.

Consular Convention

All participants agreed informally and off the record that the best place to begin the normalization of US-Czechoslovak relations was with the negotiation of a Consular Agreement or Convention. As both the US and Czechoslovakia have signed and ratified the Vienna Consular Convention it appeared that the preliminary discussions might consider how that document could be supplemented to take into account the more specific interests of both sides. No specifics were mentioned by either side but it was generally agreed that a supplementary

¹ Source: National Archives, RG 59, Central Files 1970–73, POL 4 CZECH-US. Limited Official Use. Drafted by Sherer. The conversation took place at the Czechoslovak Residence in Washington.

agreement or protocol would be necessary in order to take into account each side's experience with the general language of the Vienna Convention. The Czechoslovaks were informed that Consular Conventions with Poland, Romania and Hungary would be sent to the Hill early in 1973 and if we could move quickly on the agreement with Czechoslovakia that might be included in the same package, thus easing and speeding its completion.

Scientific, Technical and Cultural Agreement

It was clear from the discussion that the Czechoslovaks were thinking in terms of a scientific and technology agreement only. An effort was made to convince them that any agreement should be broader in context. They were asked for example whether an exhibit such as Architecture USA was scientific, technical or cultural. The idea of including "culture" in a type of general language "umbrella" agreement was obviously distasteful to them but they were strongly encouraged to begin thinking along these lines. It was pointed out that we would also be prepared under such a broad umbrella agreement to negotiate specific research or exchange agreements such as NSF had recently concluded in Budapest.

Economic and Financial Agreement

The Czechoslovaks were interested in beginning the discussion of these matters as soon as possible but actually indicated February as a target date for delegations to address these issues. Ambassador Spacil indicated that it was his assumption that the negotiation of the economic and financial issues would be conducted by delegations of the "Vice Minister level." He was informed that in our view these issues could be worked on primarily through normal diplomatic channels either in Washington or Prague. They appeared pleased to hear that the US representatives had no objection to beginning preliminary explorations and exchanges of view prior to February, perhaps while discussion of the other two agreements were in progress. Both sides agreed that the economic and financial discussions might be complex and protracted, but Ambassador Spacil said on two occasions that they might not be as difficult as we might assume.

Ambassador Spacil was obviously interested in the cosmetics as well as the substance of the negotiations and expressed the hope that a "very high level US representative" could visit Prague to sign any agreements that might be reached. There is little doubt that he had in mind a visit to Czechoslovakia by Secretary Rogers.

It was also agreed that the negotiations were in no sense a "package deal." Each agreement would be signed separately and implemented as soon as mutually convenient.

92. Memorandum From Helmut Sonnenfeldt of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, October 13, 1972.

SUBJECT

Secretary Rogers on US–Czechoslovakia

The Secretary has sent the President a memorandum about his October 5 meeting with the Czechoslovak Foreign Minister in New York City.² The central point is the Secretary's report that he welcomed his counterpart's proposal to negotiate on several issues in US–Czechoslovak relations.

The Foreign Minister:

- proposed to solve the complex of US and Czechoslovak claims;
- suggested we sign a Science and Technology Agreement and a consular convention and reopen consulates in Chicago and Bratislava;
- wished for a better atmosphere so that Czechoslovakia might eventually obtain MFN; and
- invited the Secretary to visit Prague, perhaps to sign the consular convention.

Replying to this presentation, the Secretary agreed to discuss the details in diplomatic channels and thanked the Foreign Minister for his invitation.

The Secretary points out to the President that the Czechoslovaks are afraid of being left behind the Soviets, Poles, and Hungarians in the race to improve relations with us. He believes we have been given a good opportunity to settle bilateral problems advantageously and to coax the Czechoslovak government out of its shell.

The Secretary's wish to move ahead with the Czechoslovaks again illustrates, I think, the pressing need for us to get our negotiating priorities straight in Eastern Europe.

I am recommending separately (my memorandum on this is forthcoming) that Secretary Rogers be asked to organize a NSSM/CIEPSM study that would recommend a coherent plan for conducting negotiations with the individual East European countries.³ Until this study has

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-194, National Security Study Memoranda, NSSM 163. Confidential. Sent for action.

² Document 90.

³ See Documents 25 and 26.

been completed and analyzed, I think the Secretary should be requested not to embark on new negotiations with Czechoslovakia and the other East European countries.

If you agree, you should:

a. Sign the memorandum at Tab B to Secretary Rogers asking him to delay negotiations with the Czechoslovaks pending completion of the NSSM/CIEPSM study and issuance of policy decisions based upon it. *This memorandum should not go forward, however, until you and Peter Flanigan have actually requested the study.*⁴

b. Sign the memorandum to the President at Tab A, which forwards the Secretary's memorandum but notifies the President that the Secretary has been asked not to commit us further on negotiations with the Czechoslovaks until we have made policy decisions on how to treat the East Europeans generally.⁵

Recommendation

1. That, after you and Flanigan have signed the NSSM/CIEPSM to the Secretary of State requesting a study of our East European policies, you sign the memorandum to the Secretary of State at Tab B.

2. That you sign the memorandum to the President at Tab A.⁶

⁴ Attached but not printed. On October 27 Haig signed the memorandum for Kissinger. It reads as follows: "The President would like to review the issues involved in our relations with Czechoslovakia in light of a NSSM/CIEPSM study of our economic and other relations with all the East European countries. This is being requested separately. Negotiations with Czechoslovakia should await the outcome of this study." (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-194, National Security Study Memoranda, NSSM 163)

⁵ Attached but not printed. On October 16 Haig signed the memorandum to the President for Kissinger. The memorandum informed Nixon that Kissinger had asked Rogers to delay talks with Czechoslovakia pending the NSSM/CIEPSM study. It reads in part: "It would probably be premature to begin negotiating with the Czechoslovaks until we have developed a coherent plan for all the East European countries. (When we do begin, I have serious doubts whether we should give priority to Czechoslovakia, whose regime is among the most repressive in Eastern Europe and has been hostile to our foreign policies.)" A notation on the memorandum indicates the President saw it. (Ibid.)

⁶ This option is circled.

93. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, November 6, 1972.

SUBJECT

Negotiations with Czechoslovakia

In view of your desire that relations with Czechoslovakia be reviewed in light of a forthcoming NSSM/CIEPSM on our economic and other relations with Eastern European countries,² we are postponing plans to begin discussions with the Czechoslovaks on the question of US claims for properties nationalized after WWII and the return to Czechoslovakia of gold taken by the Nazis and now in the custody of the Tripartite Gold Commission (US-UK-France).

In the meantime, we plan to proceed with the negotiation of a consular agreement and an agreement to facilitate cultural and scientific exchanges. We are seeking discussions with the Czechoslovaks on these agreements to begin in mid-November. Both agreements would be to our advantage and would parallel agreements we already have concluded with, or proposed to, other Eastern European countries. We would hope to have a response from the Czechoslovak side to our draft agreements before the start of the gold/claims talks. Since the Czechoslovaks seem particularly interested in the gold/claims negotiations and their expected impact on our economic relations, a sequence of this nature would provide them with some incentive for accommodating us on the consular and exchanges agreements.

The draft consular agreement we are preparing will take the form of a protocol supplementing the Vienna Convention, to which the US and Czechoslovakia are both parties. The main content of the protocol involves notification and access rights with regard to arrested citizens of each country, an area which is inadequately covered in the Vienna Convention.

The draft exchanges agreement we propose to give the Czechoslovaks is a general one intended to provide a framework for a broad program of exchanges in culture, education, science, technology and other fields. Under the agreement, the parties agree to encourage and facilitate exchanges and to permit distribution of cultural materials and ac-

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files—Europe, Czechoslovakia, Vol. II 01 Feb 70—. Confidential.

² See footnote 4, Document 92.

cess to cultural centers and reading rooms. The agreement would remain in force for two years.

By the time the Czechoslovaks have responded to these drafts we should have the NSSM/CIEPSM results. With the benefit of these we will examine the position we are currently developing on the gold/claims question and related economic matters and submit it to you for your consideration before entering into negotiation with the Czechoslovaks.

William P. Rogers

94. Memorandum From Helmut Sonnenfeldt of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, November 9, 1972.

SUBJECT

US-Czechoslovak Relations

On October 27 you requested Secretary Rogers (Tab B) to postpone planned negotiations with Czechoslovakia on a range of issues pending the results of a NSSM/CIEPSM 163 study (Tab C) that is to develop a time-phased negotiating scenario for normalizing our economic and other relations with Czechoslovakia as well as the other East European countries.²

Now the Secretary has come back with a new memorandum to the President (Tab D) saying that State nevertheless plans to proceed with two sets of negotiations before the NSSM/CIEPSM study is finished and policy decisions taken upon it.³ These negotiations are for (a) a consular agreement and (b) a cultural-scientific exchanges agreement. State wants to begin in "mid-November." We understand that the negotiating drafts are ready for the Secretary to approve but are being held by State working levels pending a reaction from us.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 672, Country Files, Europe, Czechoslovakia, Vol. II. Confidential. Sent for urgent action. Livingston initialed for Sonnenfeldt.

² Regarding Tabs B and C, see Document 92 and footnotes 3 and 4 thereto.

³ Document 93.

The Secretary wants to push ahead with Czechoslovakia without waiting for a coherent plan approved by Presidential level, which might not call for priority attention to Czechoslovakia. There may be no harm in starting with the consular agreement, which will bring direct benefits to American citizens and should be relatively simple to negotiate. As the Secretary points out in his memorandum the Czechoslovaks' interest in gold/claims negotiations, which the Secretary has agreed to hold off as the President requested, will induce them to accommodate us on the consular agreement.

It would be preferable to reiterate the President's request for delay as far as the exchanges agreement is concerned, however. In this case, the balance of advantages is on the Czechoslovaks' side. Moreover if we initiate the two negotiations simultaneously, as the Secretary wishes to do, we convey the cumulative impression of embarking on a new hyperactive policy with Czechoslovakia. It is doubtful that we want to do this, at least until we have considered that country in the overall East European context, which the response to NSSM/CIEPSM 163 will hopefully provide. Finally, the gold/claims incentive will continue to operate even after the consular convention.

If you agree, you should give the Secretary a green light for the consular convention negotiations but an amber one for the exchanges agreement negotiations. A memorandum to the Secretary at Tab A gives him these signals.

Recommendation

That you sign the memorandum to the Secretary of State at Tab A.⁴

⁴ A handwritten note on the memorandum reads: "Al—Do this by phone with Eliot. HK[Kissinger]." A second annotation by Haig reads "done." The draft memorandum from Kissinger to Rogers on which the telephone message was based, read in part as follows: "With reference to your memorandum of November 6 . . . , the President approves your opening negotiations on a consular agreement at your discretion. He prefers that you postpone negotiations on the proposed cultural and scientific agreement, where the direct advantages to the United States are less obvious, until completion of the NSSM/CIEPSM 163 study and policy decisions based upon it." A notation on the memorandum reads: "given to Eliot by phone."